

Message Text

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TO AMEMBASSY ASUNCION

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TAGS: BEXP, PA

SUBJECT: ITAIPU HYDROELECTRIC PROJECT

REF: ASUNCION 3763, STATE 192611

1. ON OCTOBER 5, USDOC MAJOR EXPORT PROJECTS
DIVISION STAFF MEMBER WAS INVITED TO ATTEND A SPECIAL
BRIEFING PRESENTED BY ALLIS-CHALMERS HYDRO
TURBINE DIVISION, YORK, PA. FOR ING. H. KRAUCH,
ASS'T. TECHNICAL DIRECTOR AND ING. J. DAROCHA
TECHNICAL DIRECTOR OF ITAIPU COMPANY WAS ALSO INVITED BUT
WAS NOT ABLE TO ATTEND DUE TO OTHER COMMITMENTS.
MR. COTRIM IS AWARE KRAUCH AND DAROCHA VISITED THE ALLIS-
CHALMERS PLANT AT YORK.

2. BY THE TIME OF THE YORK VISIT, BOTH KRAUCH AND
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DAROCHA (A BRAZILIAN AND FORMERLY CHIEF ENGINEER FOR

CESP) HAD ATTENDED THE WORLD ENERGY CONFERENCE IN DETROIT, MET WITH BUREAU OF RECLAMATION IN DENVER, VISITED THE GRAND COULEE SITE, AND MET WITH INTERNATIONAL ENGINEERING CO. IN SAN FRANCISCO. FROM THEIR COMMENTS, IT APPEARED THE MEETINGS AND VISITS IN THE U.S. WENT VERY WELL. BOTH KRAUCH AND DAROCHA SEEMED IMPRESSED WITH WHAT THEY SAW AND HEARD ABOUT U.S. HYDROELECTRIC POWER TECHNOLOGY.

3. THE PRESENTATION AND DISCUSSIONS AT YORK WERE PRIMARILY ON TECHNICAL SUBJECTS. DAROCHA WAS PARTICULARLY INTERESTED IN THE ON-SITE FABRICATION AND ASSEMBLY REQUIREMENTS FOR THE GRAND COULEE TURBINES. SHIPPING THE LARGE TURBINE COMPONENTS IN PIECES FROM THE MANUFACTURING PLANTS TO THE JOBSITE FOR FINAL FABRICATION AND ASSEMBLY WAS THE APPROACH SELECTED BY ALLIS-CHALMERS FOR ITS 3RD PHASE GRAND COULEE CONTRACT AS WELL AS BY WILLAMETTE/DOMINION FOR THE 2ND PHASE GRAND COULEE CONTRACT. MR. DAROCHA WANTED TO KNOW IF THE SMALLER-SIZE ITAIPU TURBINES WOULD REQUIRE SIMILAR APPROACH WITH ATTENDANT PROBLEMS OF TRAINING LOCAL LABOR, BUILDING AND MAINTAINING THE FIELD FACILITIES, ETC. ALLIS-CHALMERS EXPLAINED IN DETAIL THE RATIONALE FOR ON-SITE FABRIACTION FOR GRAND COULEE AND STRESSED THAT THIS APPROACH MAY NOT BE THE BEST AND MOST ECONOMIC SOLUTION FOR ITAIPU. BECAUSE OF DAROCHA'S INTEREST, ALLIS-CHALMERS WILL BE INVESTIGATING THE FEASIBILITY TO MANUFACTURE AND SHIP LARGE TURBINE COMPONENTS FROM YORK TO ITAIPU SITE IN SINGLE PIECES, THEREBY PRECLUDING THE NEED FOR EXTENSIVE FIELD FABRICATION.

4. REGARDING REFTTEL INQUIRY CONCERNING U.S. PRIVATE SECTOR WILLINGNESS TO SPONSOR SIDE-TRIPS OF KEY ITAIPU DECISION MAKERS AFTER ARRIVAL IN THE U.S., FROM THE LEVEL OF INTEREST SHOWN TO DATE BY U.S. PRIME EQUIPMENT CONTRACTORS ON ITAIPU, WE FEEL SUCH ARRANGEMENTS CAN BE MADE. WE LOOK FORWARD TO AN EARLY OPPORTUNITY TO WORK WITH THE EMBASSY TO ORGANIZE THESE VISITS. INGERSOLL

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